

Decision Maker: Environment Portfolio Holder

**For Pre-Decision Scrutiny by the Environment Policy
Development and Scrutiny Committee on**

Date: 29th January 2014

Decision Type: Non-Urgent Executive Non-Key

Title: **SOFT LANDSCAPING PROCUREMENT**

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Chief Officer: Nigel Davies, Executive Director of Environment & Community Services

Ward: All

1. Reason for report

This Gateway Report seeks approval for the Soft Landscaping tendering process. This is consistent with the procurement strategy for Non-Programmed Parks Works reported elsewhere on this agenda. The recommendation seeks to ensure maximum flexibility at the end of the current Main Term Contract for Grounds Maintenance in December 2017. Appendix 1 details the current contracts in place, the corresponding contractors and the value.

2. **RECOMMENDATION(S)**

That the Environment Portfolio Holder:

- 2.1 **Approves the tender process to bring the six soft landscape elements into one package, to be tendered as one contract from May 2014 to December 2017; with the option of awarding single or multiple elements to a single provider or a number of providers; and based on a term co-terminus with the expiry of existing contracts in December 2017.**

Corporate Policy

1. Policy Status: Existing Policy
 2. BBB Priority: Quality Environment
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Financial

1. Cost of proposal: Estimated Cost £183k per annum (£732k over 4 years)
 2. Ongoing costs: £183k per annum
 3. Budget head/performance centre: Parks and Greenspace
 4. Total current budget for this head: £183k
 5. Source of funding: Existing revenue budget 2013/14
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Staff

1. Number of staff (current and additional): 1
 2. If from existing staff resources, number of staff hours:
-

Legal

1. Legal Requirement: Non-Statutory - Government Guidance:
 2. Call-in: Applicable
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Customer Impact

1. Estimated number of users/beneficiaries (current and projected): Number of users unknown but LBB Parks and open spaces are available to all residents and visitors
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Ward Councillor Views

1. Have Ward Councillors been asked for comments? Not Applicable
2. Summary of Ward Councillors comments:

3. COMMENTARY

- 3.1 An Internal Audit review of Parks non-programmed works procurement in 2012 highlighted a number of issues that needed to be addressed to ensure compliance with: Council Standing Orders, Financial regulations and best practice in procurement; and to demonstrate value for money.
- 3.2 An exercise was undertaken to examine non-programmed works expenditure over a 23 month period to: identify what opportunities there were to group the spend; note common elements across different sections; and as a consequence draw together a targeted spend profile, highlighting those areas which would lend themselves to a shared procurement approach. The objective was, through improved procurement, to realise the potential to achieve increased savings and demonstrate better value for money.
- 3.3 The spend analysis identified a number of areas that appeared to share common themes. Through consolidation these could be combined into a package more attractive to the market, and reduce the workload involved in commissioning separate contracts.
- 3.4 These areas were then examined to see: how easily the work could be packaged and whether there were existing external framework arrangements which could meet LB Bromley's needs; and explore with other authorities their experience in procuring similar works
- 3.5 Based on this work, a strategy has been drawn up by the Procurement Project Board. Its objectives are: ensuring compliance with corporate procurement requirements; rationalising management and contracting arrangements; and coordinating these budget areas with the remainder of Works expenditure in Parks; to ultimately demonstrate better value for money through improved procurement. The aim is to maximise procurement options prior to the end of the current Term Contract for Grounds Maintenance in December 2017.
- 3.6 Whilst budgets have been identified for each area of spend, the intention is that none of the procurement options will guarantee contractors a set value of works. The projected budget gaps for LBB in future years are recognised. This approach to procurement provides flexibility for the Council to reduce budgets without incurring contractual penalties.
- 3.7 Current Contract Elements (approximate values of expenditure):

	£k
Woodland works	25
Rural hedge cutting	27
Rural grass cutting	52
Public Rights of Way - cutback	38
Non-programmed landscape works	21
Japanese Knotweed treatment	<u>20</u>
Total	<u>£183k</u> p.a.

4. POLICY IMPLICATIONS

- 4.1 The proposed strategy is in line with LB Bromley's aim to drive increased efficiencies through improved procurement. The aim is to put in place a coherent strategy for Grounds Maintenance that will maximise options at the end of the current term contract, to achieve the most economically advantageous solution.

- 4.2 The Environment Portfolio Plan 2013-16 includes the aim “Ensure that good value for money is provided when work is commissioned to maintain and improve Bromley’s parks”.

5. FINANCIAL IMPLICATIONS

- 5.1 The current 2013/14 budget for the six areas of work totals £183k.
- 5.2 The proposed procurement option will not guarantee contractors a set value of works. It would therefore provide flexibility in future years to reduce expenditure and/or budgets.

6. LEGAL IMPLICATIONS

- 6.1 The procurement options detailed in this report have been reviewed to ensure that they are compliant with current public procurement legislation and directives

8. PROCUREMENT IMPLICATIONS

- 8.1 A market intelligence exercise was conducted with key contractors and local authorities. In particular discussions were held with the current Grounds Maintenance contractor (The Landscape Group) to determine if they would be able to offer a competitive solution for the Council, and as a consequence increase the available resources in the contract. However no alternative solution arose.
- 8.2 It is therefore proposed to tender all these works using a generic schedule of rates that addresses all elements. The contract term would be from May 2014 to the end of December 2017, so that when letting the main Grounds Maintenance contract at that time any of these elements of works could be included.
- 8.3 This would be a tender of six lots with a contract term up to December 2017, providing the opportunity to let a single whole contract or split it into up to six smaller lots.
- 8.4 The strategy of aligning contracts with the Main Term Contract for Grounds Maintenance in 2017, together with reviewing the process for tendering landscape works, should ensure that local contractors are encouraged. The interim strategy would therefore facilitate a competitive process with both national and local contractors tendering.
- 8.5 These services are viewed as a residual service, covered by Part B of the Public Contracts Regulations 2006 (as amended). The procurement process would be carried out in accordance with these regulations.
- 8.6 The Council will evaluate Tender Submissions using the Council’s standard approach with a weighting of 60% financial and 40% non-financial information.

Timetable

- 8.7 In order to meet the start date of May 2014, it is proposed to start the procurement process during the first week in February. Appendix 2 illustrates the timetable for each phase of the procurement process.

Contract management

- 8.8 New contracts will be managed using existing arrangements but may be subject to future rationalisation as part of any changes to organisational structures.

Key Issues / Risks

8.9 The key risks to the project are:

- a. Potential failure to obtain an acceptable tender. Given the current market circumstances, it is felt that this is a low risk.
- b. Potential failure to meet the service delivery deadline.

Non-Applicable Sections:	Personnel Implications; Stakeholder Consultation
Background Documents: (Access via Contact Officer)	Report No. ES 13128: Procurement Strategy for non-programmed parks works expenditure – Environment Policy Development and Scrutiny Committee, 29 January 2014

Appendix 1

Information on current contract arrangements

Contract	Current Contractor	Approximate Annual spend
Woodland Works -	T&T Earthmatters; Woodland Plus	£25,000
Rural Hedgerows – this contract covers sightlines and hedgerow cutting on the borough’s principal rural roads and is carried out by a tractor mounted machine rather than by hand	Gerald Brooks	£27,000
Rural Grass – grass cutting operations at countryside and woodland sites, essentially for site and biodiversity management	T&T Earthmatters; Landmark Services; DMC Landscapes	£52,000
Public Rights of Way (PROW) – the cutting back of vegetation along PROWs borough-wide	Holwood Grounds Maintenance Ltd	£38,000
Japanese Knotweed (JKW) – the spray treatment of JKW on all LBB land, and some private sites which are recharged to the land owners	Southern Land Services	£20,000
Non-Programmed landscape work – list of SOR items of soft landscaping works regularly raised, including some pond/waterways maintenance tasks	Woodland Plus; Isle Landscapers; English Landscapes	£21,000

Appendix 2

Procurement Timetable

Task	Milestone (week beginning)
Develop tender list	20 January 2014
Send out PQQ	03 February
PQQ Analysis	24 February
Send out contract documents	3 March
Tender response period	10 March
Analysis of submissions	7 April
Award contract/s	14 April
Contract start date	05 May